



USAID
FROM THE AMERICAN PEOPLE



RENEWABLE ENERGY

OVERVIEW

USAID's Renewable Energy programs promote deployment, financing, and grid integration of renewable energy generation as a means of reducing emissions, lowering costs, spurring economic growth, and increasing access to affordable modern energy services. USAID follows an integrated approach to renewable energy scale-up, helping partner countries and investors reduce costs, improve grid operations, and leverage financing for utility-scale renewable energy projects. Between 2010 and 2017, USAID's energy programs contributed to the installation of more than 128,000 MW of renewable capacity across 20 focus countries, helped lower renewable energy prices to below two cents per kWh, and helped facilitate more than \$150 billion in private investment in new generation.

USAID also supports broader energy sector reforms that reduce barriers to private investment and strengthen the institutions that underpin the sustainable and economic deployment of renewable energy resources. For example, USAID helps host-country governments and power utilities to adopt international best practices in the legal, regulatory, and policy frameworks that enable private investment in the energy sector and ensure reliable electricity distribution. USAID assistance helps utilities procure sufficient power at affordable prices and institute the internal reforms necessary to reduce losses, improve service delivery, and collect sufficient revenues for sustainable, independent operation. USAID also supports competitive procurement and auction design, which has allowed USAID partner countries to drive electricity prices lower while enhancing transparency and creating a fair competitive environment.

APPROACH AND RESULTS

- USAID's support for energy auctions in Mexico have resulted in **\$6 billion worth of private investment**, with more than \$1 billion in contracts awarded to U.S. firms.
- In FY18, USAID helped **11 renewable energy projects** get off the ground in Indonesia, **mobilizing a combined \$806 million in investments** from the public and private sectors.
- Due to technical assistance provided by USAID, under the PACE-D program, U.S.-based Azure Power recently won a 46 MW solar tender to supply energy to India Railways, that country's largest power consumer. This program is expected to **unlock more than \$1 billion in investment opportunity**.
- Through the Private Financing Advisory Network, a global network of renewable energy financing experts offering free business coaching and investment facilitation to entrepreneurs in emerging markets, USAID funding has leveraged **\$80 - \$100 in private sector investment** per dollar of USAID funding, and has supported the **mobilization of more than \$1.4 billion for some 900 MW** of renewable energy over the past decade.
- In Kazakhstan, USAID supported the design and execution of Kazakhstan's first major clean energy auction in 2018. The Government of Kazakhstan awarded 170 MW of solar photovoltaic capacity, and an additional six wind contracts with a combined capacity of 400 MW. Overall, one GW of renewable energy generation capacity is set to be assigned. **Kazakhstan plans to source 50 percent of its power from renewables by 2050.**

PHOTO: Photo by Dennis Schroeder/NREL.

May 2020

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SPOTLIGHT ON COMPETITIVE PROCUREMENTS

USAID is the proven leader in promoting open and competitive procurement practices for renewable energy generation in partner countries around the world. These efforts have resulted in declining prices for solar and wind technologies and facilitated billions of dollars of private investment. Transparent and competitive procurement practices have reduced costs for energy utilities and consumers, making them an attractive alternative to more opaque approaches, which have fostered corruption and needlessly expensive transactions.

One of the most high profile examples of USAID's assistance is in Colombia where the Colombian government has recently awarded \$1.3 billion in contracts for nine projects that will provide 1.3 GW of new wind and solar power generation at historically low prices. USAID supported Colombia's Ministry of Mines and Energy (MME) to tailor the procurement to the country's unique goals: diversify the electricity system beyond just hydropower which has become less reliable with seasonal variation, lower system costs with cutting-edge technology, and reduce carbon emissions.

To foster private sector interest in Colombia, USAID co-organized two major events in Bogota and New York City that attracted 150 companies. As a result of sustained engagement with the private sector, fifty-three companies applied to participate in the procurement: 27 energy sellers and 26 energy buyers (representing about 95 percent of Colombia's buyers in 2018). Applied Energy Services (AES), a U.S. corporation, was awarded 255 MW of wind capacity, which will mobilize an estimated investment of \$230 million. Colombia's enhanced capacity to provide reliable electricity supplies to its communities will help drive

economic growth, reduce cost, and move the country further on its path to self-reliance.

USAID-supported competitive procurement has the power to continue to help countries across the world create and benefit from private investment opportunities. Success in one country can prompt a whole region or continent to follow suit with the good governance practices that enable open and transparent markets.

WHERE OUR FUNDING GOES

In FY 2017, USAID programmed approximately \$220 million in 30 countries across its global energy portfolio. Within the \$220 million, USAID invested approximately:

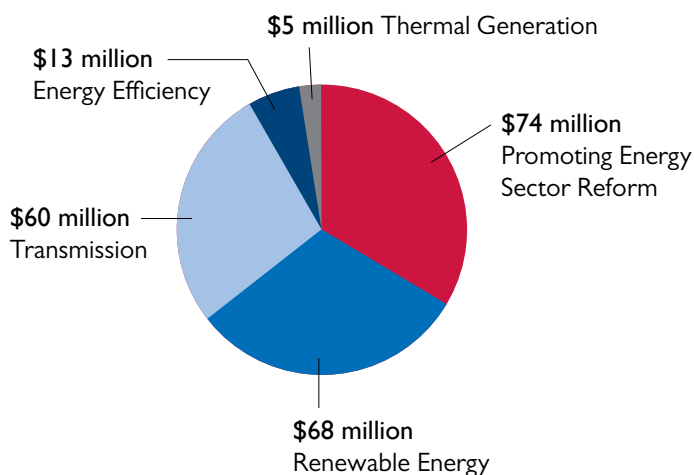


PHOTO: Photo by Hoang Viet Duc for USAID/Vietnam.